

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 23, 2004

**FROM: THOMAS R. LAURIN, DIRECTOR
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN
ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT WITH RESPECT
TO THE SALE OF THE WOODVIEW APARTMENTS TO SSR REALTY
ADVISORS, INC. OR ITS AFFILIATED ASSIGNEE; AND RELATED
DOCUMENTS AND ACTIONS – CHINO HILLS**

RECOMMENDATION:

1. Adopt resolution of the Board of Supervisors of the County of San Bernardino approving and authorizing the execution and delivery of an Assignment, Assumption, and Consent Agreement concerning the sale by LBK, L.P., a Delaware limited partnership, the owner and transferor (Transferor) of the Woodview Apartments (Project) to SSR Realty Advisors, Inc., a Delaware Corporation or its affiliated assignee (Transferee); and the execution and delivery of any and all necessary and related documents and actions in connection therewith.
2. Approve the execution and delivery of a Bond Counsel Services Agreement with the firm of Fulbright & Jaworski, L.L.P. for legal services related to this sale.

BACKGROUND INFORMATION: On April 1, 1985 (Item 70), the County of San Bernardino adopted a resolution authorizing the issuance of \$17,800,000 of County of San Bernardino, California, Variable Rate Demand Multifamily Rental Housing Revenue Bonds, Issue of 1985 (Woodview Apartments) the proceeds of which were used to finance the construction of a multifamily residential rental housing development, Woodview Apartments, consisting of 440 units located at 4200 Village Drive, Chino Hills, CA.

On August 11 and August 25, 1998 (Items 41), the Indenture was amended by a First and Second Supplemental Indenture of Trust in order to convert the outstanding variable rate bonds to a fixed rate, extend the maturity date, and for the private placement of the converted fixed rate Bonds.

On April 27, 2004 (Item 7), the Board of Supervisors adopted a resolution authorizing the execution and delivery of a Third Supplemental Indenture of Trust in connection with the extension of the fixed interest rate period to April 1, 2010.

The Transferor is now requesting the consent of the County, under the terms and conditions of the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of April 1, 1985, as amended, to approve and authorize the execution and delivery of an Assignment, Assumption, and

Record of Action of the Board of Supervisors

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RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT CONCERNING THE SALE OF THE WOODVIEW APARTMENTS TO SSR REALTY ADVISORS, INC. OR ITS AFFILIATED ASSIGNEE AND RELATED DOCUMENTS AND ACTIONS

November 23, 2004

Page 2 of 2

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Consent Agreement concerning the sale of the Project to the Transferee.

It is the intention of the Transferor and the Transferee to cause the bonds to be redeemed in whole with the necessary consent from the bondholders. Even though the Bonds will be redeemed on the date of the sale of the Project, the new owner will continue to “set aside” not less than 20% of the units (44 units for persons whose income doesn’t exceed 60 percent of the Area Median Income and 44 units for persons whose income doesn’t exceed 80 percent of the Area Median Income) as required under the Regulatory Agreement, the Internal Revenue Code, and related regulations, for the remaining qualified project period that will expire on October 15, 2008.

Approval of a Bond Counsel Services Agreement is also included in the recommendation that will allow the law firm of Fulbright & Jaworski, L.L.P. to provide services for the proposed sale. The County Administrative Office completed a Board-approved Request for Proposals (RFP) process in October 2004 to solicit qualified underwriter, financial advisor, and bond counsel firms, including the necessary professional services specific to the Multifamily Residential Rental Housing Revenue Bond Program. The firm of Fulbright and Jaworski, L.L.P. is a member of the current Board-approved County Financing Pool.

REVIEW AND APPROVAL BY OTHERS: The agreement was reviewed and approved by County Counsel (Michelle D. Blakemore, Deputy County Counsel 387-5455) on November 12, 2004; by the Department of Economic and Community Development (David M. Larsen, Contract Compliance Designee 388-0959) on November 15, 2004; and the County Administrative Office (Patricia M. Cole, Administrative Analyst III 387-5346) on November 15, 2004.

FINANCIAL IMPACT: The owner has agreed to pay/reimburse the County for all costs associated with the County’s actions regarding the sale of the complex, including the fees to be charged by Bond Counsel under the contract between the County and Fulbright and Jaworski, L.L.P that is being approved in conjunction with this item. All expenses will be reimbursed to Fund NPQ-ECD. This action has no impact on the County General Fund, the Community Development Block Grant Program, or the HOME Program nor is the full faith and credit of the County, the State of California, or any political subdivision thereof pledged.

SUPERVISORIAL DISTRICT(S): 4th.

PRESENTER: Thomas R. Laurin, Director, 388-0808.

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